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Weekly Rice Price Update

Report Categories:

Grain and Feed

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Report Highlights:

TH9182 Domestic and export market volatility resulted in significant price increases. Export quotations saw prices swell to \$20-30/MT. Exporters expect prices to cool down once the Philippines tenders are finalized later this month. Domestic prices of paddy trended upward hovering toward the insured prices.

Market Tone

Table 1: Export Prices (F O B) for various grades of Thai rice (USD/MT), Week ending Nov. 30, 2009

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	975	-	980	-	1,000	960	-	979	955
WR 100 B	590	-	605	-	575	590	590	590	564
PB 100%	610	-	620	-	610	610	600	610	588
PB 5%	605	-	610	-	600	605	590	602	578
WR 5%	560	-	595	-	560	565	580	572	538
WR 10%	550	-	-	-	550	555	-	552	520
WR 15%	520	-	-	-	-	535	-	528	498
WR 25%	480	-	-	-	-	-	-	480	465
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	350	-	-	-	360	-	-	355	344
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 33.0 baht/U.S. \$

Source: Average actual prices received from exporters

Domestic and export markets had a very volatile week. Export prices were \$20-30/MT higher than the previous week's levels while domestic prices increased by 6-8 percent. However, exporters avoided concluding deals at these prices, a risk-averse move to avoid the pitfalls of last year's rice price crisis. Meanwhile, foreign buyers were equally averse due to the unusual price fluctuations. Exporters anticipate prices to cool down when the bidding for the Philippine tender of 600,000 tons for 25% grade white rice finalizes on December 1. It's expected that the bidding prices will reflect current fundamental world rice supplies. Vietnamese rice will likely win this tender and next tenders for 600,000 tons each on December 8 and 15, as Thai rice prices are way too high due to tight domestic supplies, which has been fueled by the delay in the release of government stocks. This year's ending stocks will likely reach a record 4-5 million tons.

Domestic prices of paddy trended upward hovering toward the insured prices as local traders and millers secure paddy supplies in anticipation of strong export demand. In addition, the government has proposed to revise the insured prices for MY2009/10 off-season crop price insurance scheme. It's expected that Pathumthani fragrant rice insured prices will be increased to 11,000 baht (\$333/MT), from 10,000 baht/ton (\$303/MT). Meanwhile, insured price of white rice and glutinous rice will remain unchanged. The eligible tonnage per farm household will also increase to 30 tons for white rice and Pathumthani rice paddy and 20 tons for glutinous rice paddy.

Table 2: Price Insurance Scheme for MY 2009/2010 rice crop

	Rice paddy				
	Fragrant rice (Hommali)	Provincial fragrant rice	Pathum fragrant rice	Glutinous rice	White rice
1. Eligible tonnage (ton/household) ^{a/}	14	16	25	16	25
2. Insured prices (Baht/ton) ^{a/}	15,300	14,300	10,000	9,500	10,000
3. Benchmark prices (Baht/ton) ^{b/}					
Oct. 1-15	14,986	13,899	9,896	7,523	8,806
Oct. 16-31	14,940	13,860	8,940	7,470	8,466
Nov. 1-15	14,840	13,729	9,175	7,680	8,389
Nov. 16-30	13,002	12,620	10,501	8,473	8,914
4. Compensation (1-2), (Baht/ton)					
Oct. 1-15	314	401	104	1,977	1,194
Oct. 16-31	360	440	1,060	2,030	1,534
Nov. 1-15	460	571	825	1,820	1,611
Nov. 16-30	2,298	1,680	-	1,027	1,086
5. Market prices (Baht/ton)					
Oct. 1-15	n.a.	n.a.	8,500	n.a.	8,600
Oct. 16-31	13,675	n.a.	8,575	n.a.	8,150
Nov. 1-15	14,075	14,000	9,775	8,800	8,525
Nov. 16-30	14,577	14,000	10,550	8,967	9,600

Note:

^{a/} Cabinet approval on Sep. 22, 2009

^{b/} The benchmark prices will be published twice a month on the 1st and 16th, based on average historical wholesale prices of the last 15 days in Bangkok. These prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary of Ministry of Commerce.

Rice Export Update

Unofficial exports (excluding fragrant rice) for November 23-29, 2009 totaled 75,104 tons, down 38,665 tons from the previous week, and down 23,685 tons from the four-week moving average of 98,789 tons. Exports of white rice during January 1 – November 29, 2009 totaled 5,425,533 tons, as compared with 7,100,919 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – November 20, 2009 amounted to 7,695,349 tons, down 17.3 percent from 9,305,692 tons in the previous year.

Table 3: Weekly rice exports (excluding fragrant rice)

WEEK ENDING	QUANTITY	4 WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	(%)
Sep 13	134,061	126,434	4,205	6,118	-31.3
Sep 20	142,128	130,406	4,348	6,246	-30.4
Sep 27	116,648	124,635	4,464	6,383	-30.1
Oct 4	96,150	122,247	4,560	6,468	-29.5
Oct 11	108,202	115,782	4,669	6,536	-28.5
Oct 18	102,396	105,849	4,771	6,692	-28.7
Oct 25	145,259	113,002	4,916	6,771	-27.4
Nov 1	114,220	117,520	5,030	6,827	-26.3
Nov 8	93,983	113,965	5,124	6,908	-25.8
Nov 15	112,300	116,441	5,237	6,997	-25.2
Nov 22	113,768	108,568	5,350	7,047	-24.1
Nov 29	75,104	98,789	5,426	7,101	-23.6

Note on data: Export figures since March 22, 2002, do not include fragrant rice.

The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.

Source: Board of Trade of Thailand

Table 4: Weekly private registered rice export sales

Movement (MT)	Nov. 9-13	Nov. 16-20	Nov. 23-27
Weekly sales	149,241	50,629	85,654
4 week sum	471,003	398,073	362,438
4 week mov. avg.	117,751	99,518	90,610
Total weekly sales	5,621,797	5,672,426	5,758,080

End of report